# GOVERNMENT OF INDIA
# HUMAN RESOURCE DEVELOPMENT
# LOK SABHA

UNSTARRED QUESTION NO:1171
ANSWERED ON:07.12.2015
Philanthropic Organisation in Education Sector
Nayak Shri B.V.

**Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:**

(a) the details of regulatory frameworks which govern philanthropic organizations in the education sector;
(b) the details of such organizations that have recently emerged in the country both at school and higher education level;
(c) whether the Government recognizes contributory role of these institutes in imparting quality education in the country; and
(d) if so, the details thereof and the steps proposed to promote philanthropic engagement in the education sector?

## Answer

MINISTER OF HUMAN RESOURCE DEVELOPMENT
(SMT. SMRITI ZUBIN IRANI)

(a) A recognized philanthropic organization in the education sector can either be in the form of a Company (registered under the Companies Act, 2013), a Society (registered under the relevant Societies Registration Act) or a Trust (registered under the relevant Trust Act). Philanthropic contributions in social sectors, including the education sector, by a company, are governed by the provisions of Corporate Social Responsibility (CSR) under the Companies Act, 2013. As per this Act, the Board of every company, having net worth of rupees five hundred crore or more during any financial year, shall ensure that the company spends, in every financial year, at least two per cent, of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its CSR Policy. Further, the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities. Remittances by philanthropic organizations in the education sector are governed by the relevant laws and regulations regarding overseas remittances, tax liability etc.

A not-for-profit Society, registered under the relevant Societies Registration Act, 1860 or a not-for-profit Trust, registered under the Public Trust Act, or a not-for-profit Company under Section 8 of the Companies Act, 2013 can set-up schools, and get affiliated with the various Education Boards. They can also sponsor a proposal to the University Grants Commission (UGC) for recognition of their educational institution as a Deemed to be University in accordance with the provisions of the UGC (Institutions Deemed to be Universities) Regulations, 2010. The status of a Deemed to be University is conferred by the Central Government on the advice of UGC.

(b) The details are not centrally maintained.

(c)& (d) Yes, Madam. The Central Government, in order to promote philanthropic contribution in the education sector has allowed States, under the Centrally Sponsored Scheme of Rashtriya Uchchatar Shiksha Abhiyan, to mobilize private sector funding including through innovative means including Corporate Donations and Philanthrophic grants, limited to 50% of the State Share.

*****